

Recordkeeping Best Practices

A free companion one-pager to The Smart Taxpayer's Guide: Tax Planning Tips

Good records are what turn a deduction into an actual tax saving. Audits, amended returns, and missed deductions almost always come down to documentation. These are the habits we recommend to every client.

The five habits

- Capture receipts the day they happen - A phone photo into a dedicated app or folder is enough
- Keep business and personal completely separate - Separate accounts and cards make every category clean
- One place per year - digital folder or shoebox, pick one - Wandering receipts are lost receipts
- Back it up: cloud copy plus one other location - A dead hard drive is not a tax strategy
- Reconcile monthly, not in April - Ten minutes a month beats a weekend in April

How long to keep things

Keep for	Documents
3 years	Most tax returns and their supporting receipts, once filed and accepted
4 years	Employment tax records (businesses)
6 years	Returns involving substantial unreported income; most business books and records
7+ years	Records for worthless securities or bad debt deductions
Indefinitely	Copies of filed returns themselves, records of home purchase and improvements, retirement plan contributions, and anything tied to large or unusual transactions

Digital recordkeeping setup that works

- One folder per tax year, one subfolder per category (income, business, medical, giving, other) - Same structure every year makes comparison easy
- Name files by date and vendor: 2026-09-14_officemax - You'll find a two-year-old receipt in seconds
- Use bank and card statements as a spine - mark deductible lines as they clear - Statements prove the what; receipts prove the why
- Keep a mileage log app in the car for business miles - Mileage without a log is usually mileage denied
- Scan or photograph paper receipts - thermal paper fades - A photo taken on day one survives an audit in year six

The Smart Taxpayer's Guide devotes a full section to recordkeeping and documentation - including exactly what the IRS expects you to be able to show. Bring this one-pager and your Deduction & Credit Tracker to your next appointment and we'll help you fill in the gaps.

This resource is provided for general informational purposes only and does not constitute tax, legal, or accounting advice. Tax rules change frequently and every situation is different. Consult a qualified tax professional about your specific circumstances.